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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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09/935,884

08/22/2001

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TBD

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20988 7590 10/25/2010

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CANADA

EXAMINER

DURAN, ARTHUR D

ART UNIT

PAPER NUMBER

3622

MAIL DATE

DELIVERY MODE

10/25/2010

PAPER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte MALCOLM R. FOWLER, ROBERT E. TUCKER
and MICHAEL A. LUKAS

Appeal 2009-003396
Application 09/935,884
Technology Center 3600

Before, HUBERT C. LORIN, ANTON W. FETTING, and JOSEPH A.
FISCHETTI, *Administrative Patent Judges*.

FISCHETTI, *Administrative Patent Judge*.

DECISION ON APPEAL

The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, or for filing a request for rehearing, as recited in 37 C.F.R. § 41.52, begins to run from the “MAIL DATE” (paper delivery mode) or the “NOTIFICATION DATE” (electronic delivery mode) shown on the PTOL-90A cover letter attached to this decision.

STATEMENT OF THE CASE

Appellants seek our review under 35 U.S.C. § 134 of the Examiner's final rejection of claims 1, 2, 4-13, 15, 17-25, 27-30, 32-34, 36-43, 46-50, 52-58, and 68-85 under 35 U.S.C. § 103(a). We have jurisdiction under 35 U.S.C. § 6(b) (2002). Claims 3, 14, 16, 26, 31, 35, 44, 45, 51, and 59-67 are canceled.

SUMMARY OF DECISION

We AFFIRM-IN-PART.

THE INVENTION

Appellants claim a system and method for real-time, automated marketing programs implementing one or more program rules that calculate benefits to customers based on customer identifiers, merchant identifiers and customer behaviors (Specification 1:15-18).

Claim 1 is representative of the subject matter on appeal.

1. An automated marketing method implemented using a host controller system that communicates with a plurality of remote point of transaction systems and administers a plurality of award benefits programs, comprising:

acquiring a unique user identifier, a unique merchant identifier, and a user behavior identifier at a point of transaction remote from the host controller system;

communicating each of the identifiers to the host controller system over a communications network;

performing a series of steps at the host controller system, including: validating at least one of the user identifier, the merchant identifier and the user behavior identifier to determine eligibility for participation in at least one award benefits program administered by the host controller system and, upon validation, identifying a program matrix rules module associated with the at least one award benefits program for which eligibility has been determined; applying a set of preselected logic rules contained in the program matrix rules module to at least one of the user identifier, the merchant identifier and the user behavior identifier to determine an award benefit, and assigning at least one award benefit to the user when at least one preselected criteria for the award is satisfied; and

communicating information relating to the award benefit or an updated award status condition from the host controller system to the point of transaction over a communications network.

THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Eggleston	US 6,061,660	May 9, 2000
Fitzpatrick	US 2002/0046138 A1	Apr. 18, 2002
Postrel	US 2004/0098317	May 20, 2004
Bednarek	US 2005/0251440 A1	Nov. 10, 2005

The following rejections are before us for review.

The Examiner rejected claims 1, 2, 4, 6-12, 17-25, 27-30, 32, 39-43, 46-50, 52, 53, 55-58, 68, 69, 71-73, and 75-85 under 35 U.S.C. 103(a) as being unpatentable over Postrel in view of Fitzpatrick.

The Examiner rejected claims 5, 54, 70, and 74 under 35 U.S.C. 103(a) as being unpatentable over Postrel in view of Fitzpatrick and Eggleston.

The Examiner rejected claims 13, 15, 33, 34, and 36-38 under 35 U.S.C. 103(a) as being unpatentable over Postrel in view of Fitzpatrick and Bednarek.

ISSUES

Have Appellants shown that the Examiner erred in rejecting claims 1, 2, 4, 6-12, 17-25, 27-30, 32, 39-43, 46-50, 52, 53, 55-58, 69, and 75-78 on appeal as being unpatentable under 35 U.S.C. § 103(a) over Postrel in view of Fitzpatrick on the grounds that a person with ordinary skill in the art would understand that since Postrel discloses a transfer of an *award benefit* which occurs when awards points are transferred from the trading server to the merchant computer on behalf of the customer, that Postrel discloses *assigning at least one award benefit to the user*?

Have Appellants shown that the Examiner erred in rejecting claims 68, 71-74, and 79-85 on appeal as being unpatentable under 35 U.S.C. § 103(a) over Postrel in view of Fitzpatrick on the grounds that a person with ordinary skill in the art would understand that Postrel or Fitzpatrick

discloses applying an award prioritization system that selects a single award benefit when a user qualifies for multiple award benefits?

FINDINGS OF FACT

We find the following facts by a preponderance of the evidence:

1. The Examiner found that the trading server in Postrel functions as a central host controller stating: “Note in Figure 5 that the Trade Server (item 54) acts as a central host controller ...” (Answer. 6).
2. Postrel discloses a host controller system which includes a “trading server computer connected to a network of computers where a user interface is established whereby a user from a user computer may access the server to request the transaction to contact a reward server computer system.” (§ [0036]).
3. Postrel discloses a program matrix rules module associated with at least one award benefits program at the trading server which includes a set of preselected logic rules applied to a user identifier in that:

...the server has memory means for storing the user account information, user profiles and rules specified by the user, system, or merchant. The trading server also has communications means to allow users to access the server and to allow the trading server to contact reward servers and processing means to interpret the rules and coordinate the contact to the respective reward servers. The processing means is adapted to allow the user to request and exchange consideration for rewards from reward servers. The processing

means additionally is adapted to coordinate the exchange of consideration and increase or decrease the user exchange accounts stored in memory in response to actions performed by the user computer, reward server and merchants.

(¶ 0036)).

4. Postrel discloses assigning at least one award benefit and communicating information relating to the award benefit from a host controller system to the point of transaction when it transfers consideration points from the trading server to the merchant computer such that:

The trading server computer 20 would decrease the user exchange account 54 by the number of points corresponding to the purchased item. The trading server computer 20 conveys consideration to the merchant computer 30 equivalent to the cost of the item by means well known in the art of electronic commerce (eg. by a pre-existing account, credit card, etc.) In the alternative, the consideration may be a direct transfer of points to an account associated with the merchant.

(¶ [0032]).

5. The Specification does not define the term *assigning*, and no form of the word *assign* appears in the Specification.

6. The ordinary and customary definition of the term “assign” as defined *inter alia* by Merriam Webster’s Collegiate Dictionary (9th ed.) is: “to transfer (property) to another especially in trust ...”.

7. Postrel discloses a *point of transaction* at the merchant computer 30, in that “the user from a user computer 40 may make a request

150 to purchase an item from an associated merchant computer 30.” (¶ [0032]).

8. Postrel discloses *prioritization* in that “if a user has a preferred air carrier where the user would like to retain mileage in that reward system, the user may specify a priority of use indicating the reward resources that should be exhausted prior to accessing the most desirable rewards.” (¶ [0033]).

9. Postrel discloses another form of *prioritization* in that “[t]he system can prioritize the order of points being traded based on a predetermined set of rules such as in higher value points being issued before those with a lower value.” (¶ [0046]).

ANALYSIS

We affirm the rejections of claims 1, 2, 4-13, 15, 17-25, 27-30, 32-34, 36-43, 46-50, 52-58, 69, 70, and 75-78 under 35 U.S.C. § 103(a); we reverse the rejections of claims 68, 71-74, and 79-85 under 35 U.S.C. § 103(a).

Rejection of Claims 1, 42, and 75 and Dependent Claims

Initially, we note that the Appellants argue independent claims 1, 42 and 75 together as a group. Correspondingly, we select representative claim 1 to decide the appeal of these claims, with remaining independent claims 42 and 75 standing or falling with claim 1. Appellants do not provide a substantive argument as to the separate patentability of claims 2, 4, 6-12, 17-

25, 27-30, 32, 39-41, 43, 46-50, 52, 53, 55-58, 69, and 76-78 that depend from claims 1 and 75. Thus, claims 2, 4, 6-12, 17-25, 27-30, 32, 39-43, 46-50, 52, 53, 55-58, 69, and 75-78 stand or fall with claim 1. See, 37 C.F.R. § 41.37(c)(1)(vii)(2004).

Appellants argue that Postrel and Fitzpatrick fail to disclose “*at the host controller system including ... identifying a program matrix rules module associated with ... at least one award benefits program for which eligibility has been determined; applying a set of preselected logic rules contained in the program matrix rules module ... and assigning at least one award benefit ...*” (Appeal Br. 14). Appellants make this assertion allegedly because “Postrel discloses [a] system and method for operating a program for *gathering ... and redeeming* pre-existing reward points granted by other parties” (Appeal Br. 13). Thus, Appellants assert that the Postrel system is “clearly distinct from the *awarding of previously non-existing benefits*” (Appeal Br. 14).

We disagree with the Appellants for the following reasons. First, the Examiner found that Postrel’s trading server computer 20 functions as a host controller (FF 1). Our review of Postrel confirms that the trading server computer 20 performs the *validating, identifying, applying, communicating, and assigning* functions required by the claimed host controller (FF 2, 3, 4). Although Postel does not explicitly use the word “assign” to transfer benefits from the trading server to the merchant computer, we find that one having ordinary skill in the art would understand that the transfer of consideration

between these servers meets the claim limitation of *assigning a benefit*. This is because the term *assigning* has a meaning broad enough to include such a transfer of consideration. The term *assigning* is not defined in the Specification (FF 5), and thus we rely on the ordinary and customary definition of the term “assign,” which is “to transfer (property) to another especially in trust ...” (FF 6). We accordingly interpret the meaning of *assigning* to include a transfer of an award for the benefit of the awardee. We thus find that Postrel assigns awards points when the points are transferred from the trading server to the merchant computer on behalf of the customer (FF 4).

Appellants next argue that Postrel and Fitzpatrick fail to disclose the limitation of “(ii) communicating information relating to the award benefit or an updated award status condition from the host controller system to the point of transaction” (Appeal Br. 13).

We are not persuaded by this argument because we found that Postrel discloses conveying “consideration ...equivalent to the cost of the item” from the trading server computer 20 to the merchant computer 30, with such consideration information in Postrel being information related to the award benefit (FF 4). Appellants’ arguments to deficiencies in Fitzpatrick are not well taken because the Appellants are attacking the reference individually when the rejection is based on a combination of references, and the Examiner found that Postrel, and not Fitzpatrick, discloses the argued deficiencies of performing the claimed steps at the host computer and

providing program matrix rules ((FF 1), (Answer 6)). *See In re Keller*, 642 F.2d 413, 426 (CCPA 1981); *In re Young*, 403 F.2d 754, 757-58 (CCPA 1968).

Appellants additionally argue that “*there is no ‘point of transaction’ in Postrel*” because “the Merchant 30 and User Computer 40 would have to be both co-located and combined” to provide a “point of transaction analogous to Applicants POT devices” (Appeal Br. 17-18).

We are unconvinced that the merchant and user computers in Postrel need to be combined in order to meet the claim limitation because we find that the “merchant computer” in Postrel is itself the *point of transaction* because one of ordinary skill in the art would understand that a purchase occurs at a merchant computer when a remote user’s offer to purchase an item is received and accepted by the merchant computer (FF 7).

Appellants argue that the claim recitation of “the communication of award status changes to a user in the context of a transaction – [is] lacking in the cited art.” (Appeal Br. 20).

We are not persuaded by Appellants’ argument here because claim 1 recites the award status change feature as an alternative limitation, and, as we found *supra*, the disjunctive paired limitation of *communicating information related to the award benefit* is disclosed in Postrel (FF 4). During examination, claims are given their broadest reasonable interpretation. *See In re Johnston*, 435 F.3d 1381, 1384; *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364. Under the broadest scenario, both

steps surrounding the “or” conditional may not be invoked.

Appellants argue that “there is no mention in ... Postrel of ‘communicating information relating to the [newly-awarded] award benefit ...’ (Appeal Br. 17) (brackets in original), and argue that “neither Postrel nor Fitzpatrick teaches or suggests ... awarding previously non-existent awards benefits ...” (Appeal Br. 18).

Both arguments fail because each argues a limitation, e.g. “newly-awarded” and “previously non-existent”, which is not present in the claims. *See, In re Self*, 671 F.2d 1344, 1348 (CCPA 1982).

Appellants argue error because the Examiner has “entirely declined to address the level of ordinary skill in the art.” (Appeal Br. 11, 19, 25).

We disagree with Appellants of error here because the level of ordinary skill in the art is best determined by appeal to the references of record. *In re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995). We find that since the Examiner applied references pertinent to the problems in computerized purchase awards systems (FF 2, 6, 7), he has properly addressed the level of ordinary skill in the art.

Appellants additionally argue that claim 42 “explicitly recites that the award benefits are assigned, and the communication is provided to the point of transaction, *during the course of a transaction* ...” (Appeal Br. 21).

We are not persuaded by this argument because the phrase *during the course of a transaction* is recited in the preambles of claims 42 and 79, but is not thereafter incorporated elsewhere into the body of these claims. Thus,

we find that *during the course of a transaction* does not constitute a claim limitation. “[I]f the preamble merely state[s] a purpose or intended use and the remainder of the claim completely defines the invention independent of the preamble,” it does not constitute a limitation. *Lipscomb’s Walker on Patents, 3rd Edition, Vol. 3, § 11.11* at p. 361 (1985) (citing *Marston v. J.C. Penney Co.*, 353 F.2d 976, 986 (4th Cir. 1965)); *see also, Rowe v. Dror*, 112 F.3d 473, 478 (Fed. Cir. 1997); *Corning Glass Works v. Sumitomo Elec. U.S.A., Inc.*, 868 F.2d 1251, 1257 (Fed. Cir. 1989).

Appellants argue that “the Examiner has been engaged in piecemeal examination of the Application” (Appeal Br. 27). This argument relates to a petitionable matter and not to an appealable matter, because it relates to the manner in which examination has been conducted. See *In re Schneider*, 481 F.2d 1350, 1356-57 (CCPA 1973) and *In re Mindick*, 371 F.2d 892, 894 (CCPA 1967). See also the MPEP § 1003 (“All unusual questions of practice may be referred to the Technology Center Directors”) and MPEP §§ 1002.02(c)(3) and 1201.

Finally, Appellants argue that “it has not yet been established by the Examiner that the disclosure relied upon by the Examiner in rejecting Applicant's claims is entitled to a priority date which predates Applicant's claims.” (Appeal Br. 10)

We are not persuaded of error by Appellants’ statement here because Appellants’ assertion constitutes a mere allegation of possible insufficiencies in the references without pointing to specific instances where the cited

provisional applications fail to disclose the claimed features on appeal. *See* 37 C.F.R. §. 1.111(b).

We also affirm the rejections of dependent claims 5, 13, 15, 33, 34, 36-38, 54, and 70 since Appellants have not challenged such rejections with any reasonable specificity (see *In re Nielson*, 816 F.2d 1567, 1572 (Fed. Cir. 1987)).

Rejection of Claims 68 and 79 and Dependent Claims

Independent claims 68 and 79 each require “applying an award prioritization system that selects a single award benefit when a user qualifies” (Appeal Br. 22).

Although Postrel discloses a prioritization system for priority of use (FF 10) and traded values (FF 11), we find that neither Postrel nor Fitzpatrick discloses a prioritization system that *selects a single award benefit when a user qualifies* because Postrel discloses that the priority is used for exhausting points rather to select a given award. We thus will not sustain the rejection of claims 68 and 79. Since claims 71-74 depend from claim 68 and claims 80-85 depend from claim 79, and since we cannot sustain the rejection of claims 68 and 79, the rejection of claims 71-74 and 80-85 likewise cannot be sustained.

CONCLUSIONS OF LAW

We conclude the Appellants have not shown that the Examiner erred in rejecting claims 1, 2, 4-13, 15, 17-25, 27-30, 32-34, 36-43, 46-50, 52-58, 69, 70, and 75-78 under 35 U.S.C. § 103(a).

We conclude the Appellants have shown that the Examiner erred in rejecting claims 68, 71-74, and 79-85 under 35 U.S.C. § 103(a).

DECISION

The decision of the Examiner to reject claims 1, 2, 4-13, 15, 17-25, 27-30, 32-34, 36-43, 46-50, 52-58, 69, 70, and 75-78 under 35 U.S.C. 103(a) is AFFIRMED.

The decision of the Examiner to reject claims 68, 71-74, and 79-85 under 35 U.S.C. § 103(a) is REVERSED.

AFFIRMED-IN-PART

MP

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